Value Pricing as a Demand Management Strategy

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Value Pricing Program

HOV to HOT Conversion

San Diego, I-15

- 8 miles, two reversible lanes
- Tolls vary dynamically
- Ensures free-flowing traffic

Toll Express Lanes

SR 91, CA

- Four new lanes in median, 10 miles
- Tolls are $1.00 to $6.25

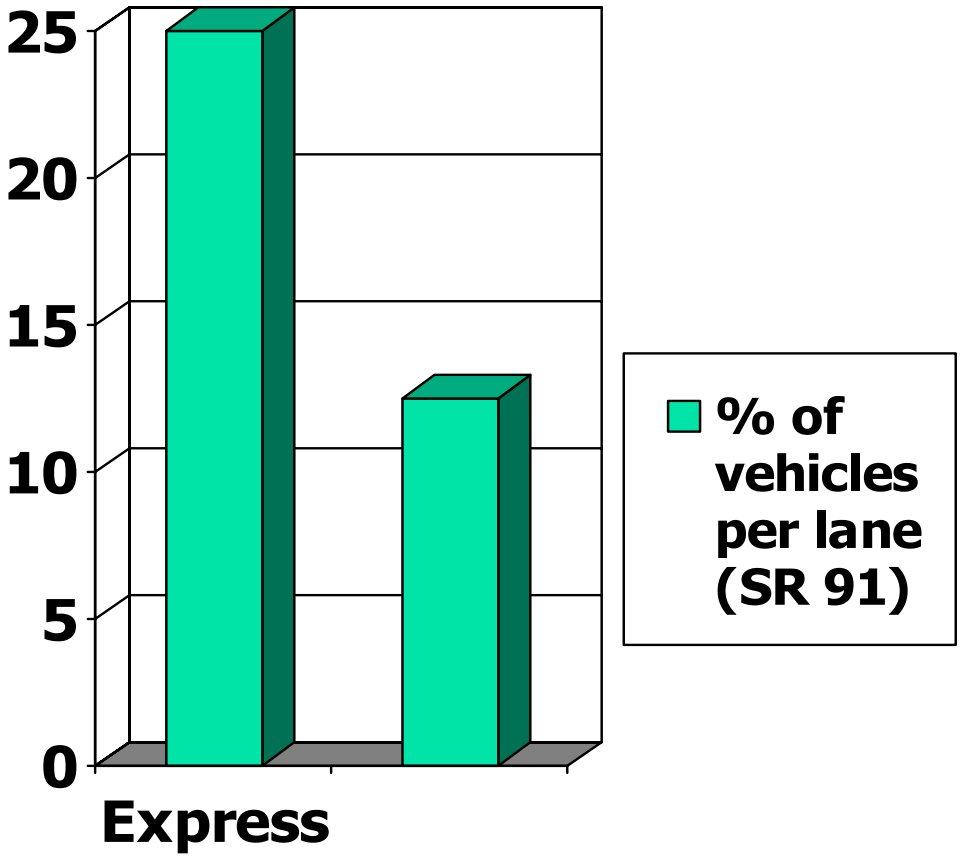
Variable Tolls on Toll Facilities

- N. J. Turnpike
- New York – New Jersey crossings
- Florida's Ft. Myers bridges
- California's San Joaquin Hills and Foothill Toll Roads

Lessons Learned: Freeway Efficiency

SR 91 Express:

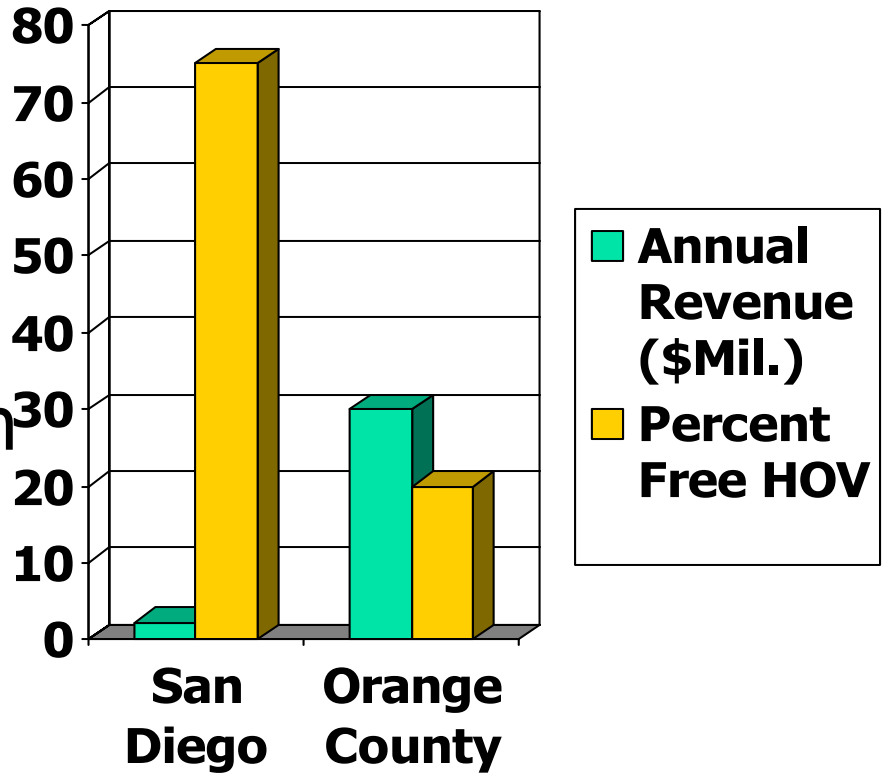
- Higher peak hour throughput per lane
- Speed 3 to 4 times higher



Lessons Learned: Financial Feasibility

Revenue vs. other public goals:

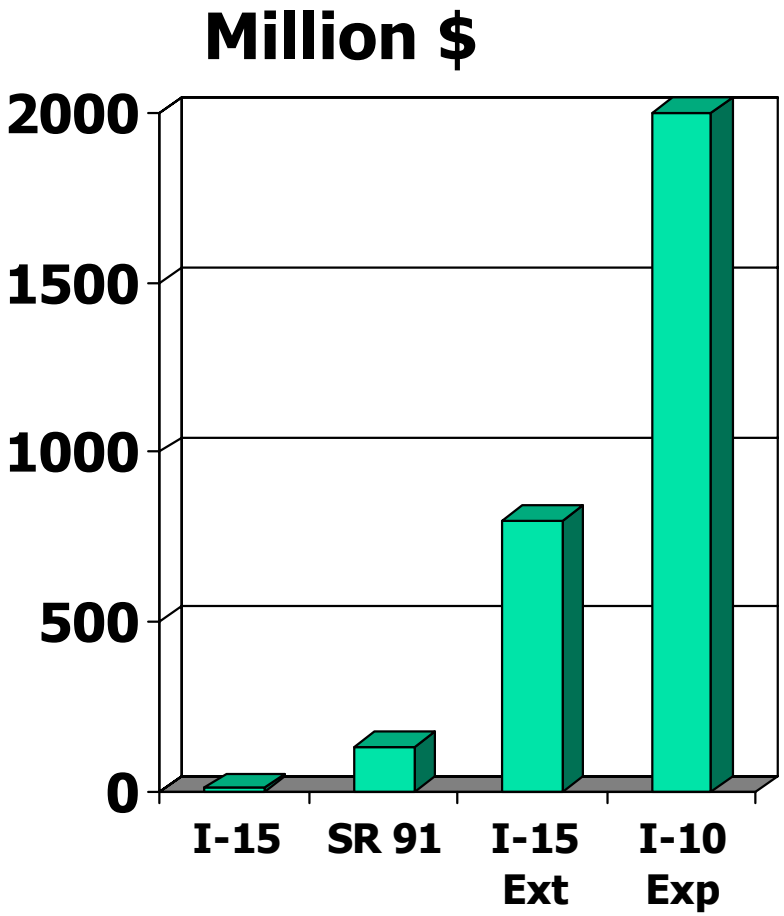
- HOV policies can reduce revenue
- More congestion in regular lanes = higher toll in express lanes



Costs in Urban Areas

Const. costs

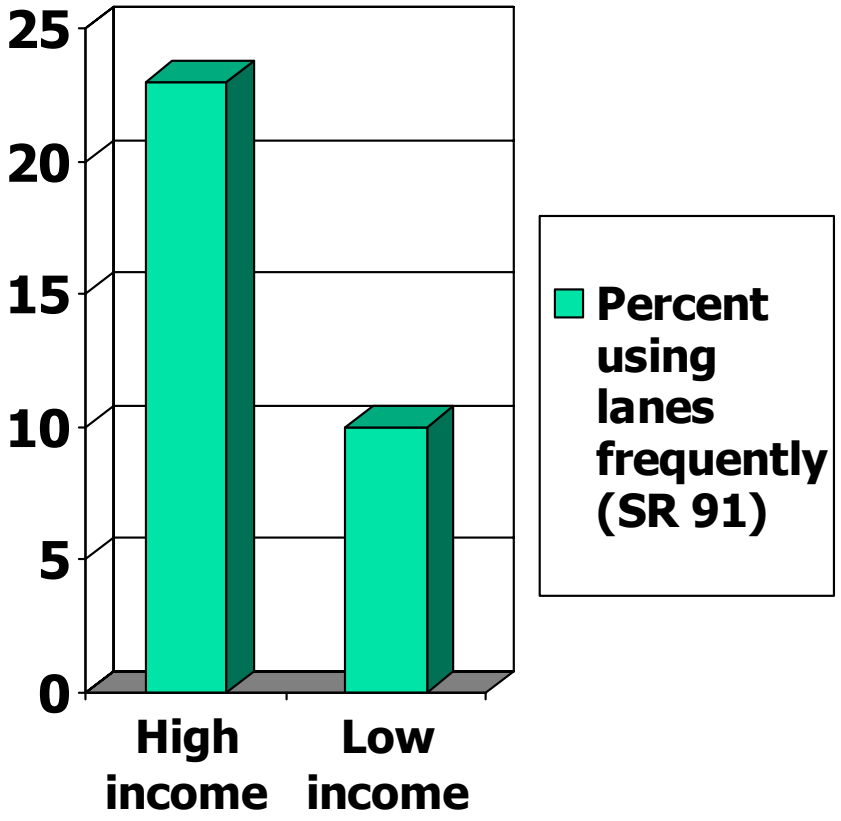
- New lane(s)
- Right-of-way
- Interchanges
- Direct access ramps
- Improvements to free lanes



Lessons Learned: Equity

Fairness to low income motorists:

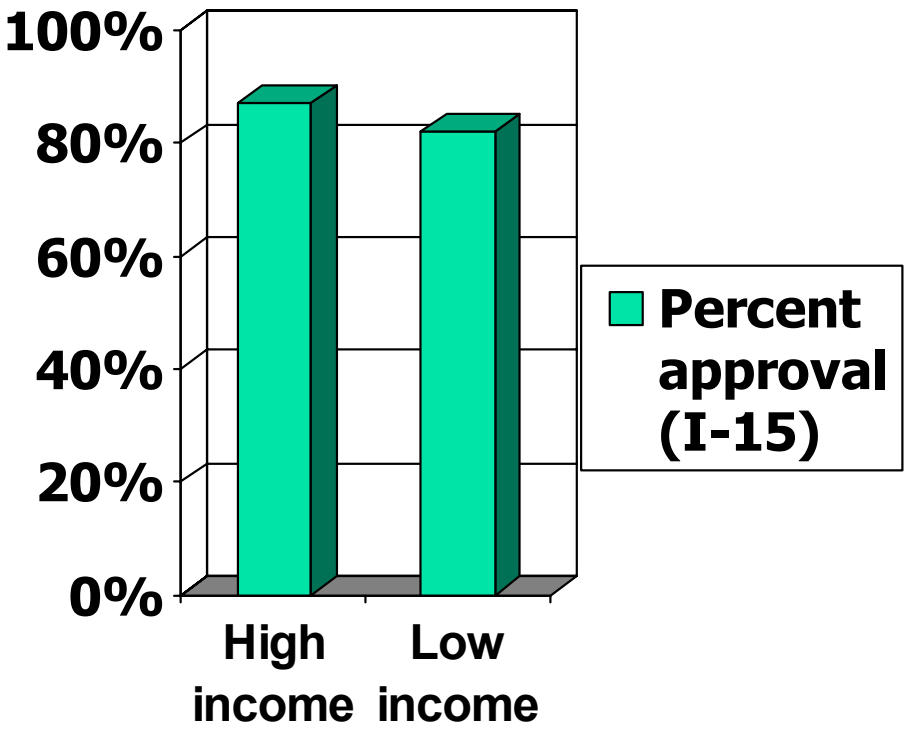
- All income groups use toll lanes
- But higher-income commuters use them more often



Lessons Learned: Public Opinion

I-15:

- 70% approval for existing HOT Lanes
- 84% favor HOT Lanes extension
- Considered "fair"



Lessons Learned: Toll Facilities

Effects of variable tolls:

- **New York**
  - Reduced peak demand, shorter peak period
- **New Jersey**
  - Reduced share of travel in peak
- **Florida**
  - 71% shifted time of travel at least once a week

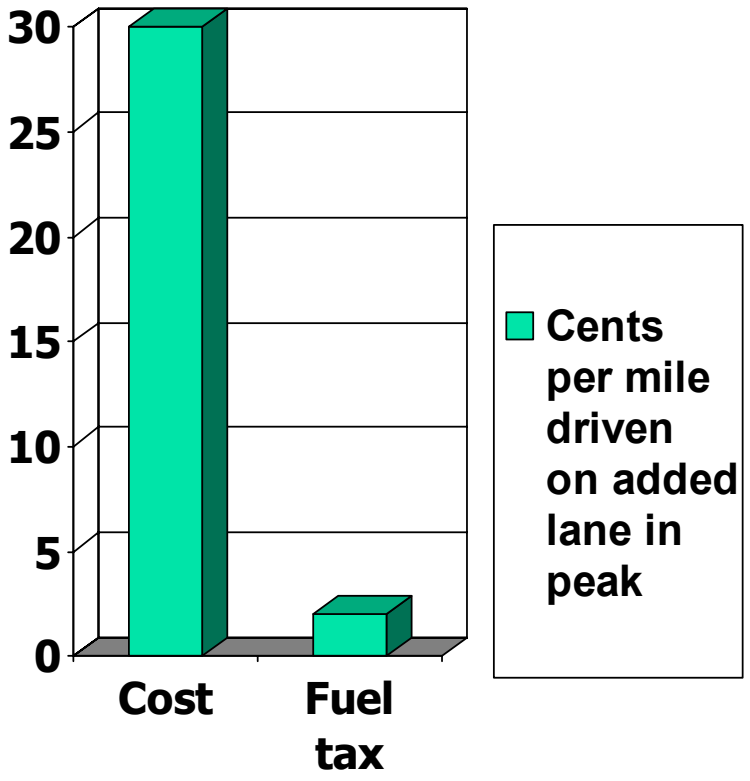
Public Resistance

- **Raising tolls in peak periods is a tough sell** –
  - Most commuters have no other option
  - Need improvements to alternative modes
  - But other agencies responsible for transit, HOV and park-and-ride

Overcoming Public Resistance

"Roads already paid for":

- High costs for rehabilitation, reconstruction and expansion
- Fuel taxes only 2 cents per mile driven



Overcoming Public Resistance

- **Traffic diversion to neighborhoods:**
  - Reduced off-peak tolls discourage diversion
  - Increased freeway throughput with pricing
  - Improved arterial operations with added revenue
- **"Tollbooth" delays:**
  - Electronic toll collection

Overcoming Equity Concerns

- **"Not fair to provide better mobility to the wealthy"**
  - Package pricing with benefits for low-income travelers:
    - New transit, HOV and park-and-ride service
    - Toll discounts for low-income motorists
    - Credits to motorists in regular lanes (FAIR lanes)

HOT Lanes Network Concept

- Variable charges applied to HOT lane(s)
- Bus transit provided on HOT lanes
  - Direct connection to bus stations
- Carpools get free service on HOT lanes
  - Enforcement difficult, revenues lower, but better mobility and equity
- Regular lanes remain congested

Express Lanes Network Concept

- Variable charges applied to Express freeway lane(s)
- Bus transit provided on Express lanes
  - Direct connection to bus stations
- Only buses get free service on Express lanes
  - Enforcement easier, revenues higher, but reduced mobility and equity relative to HOT

FAIR Highway Network

- Variable peak service charges to manage operation of **entire** freeway
- High quality bus transit
  - includes new park-and-ride lots
- Managed arterial network
  - state-of-the art ITS improvements
- Service discounts based on income
  - address equity and traffic diversion

Administration Proposal

- Variable Toll Pricing Program
- Mainstreams road pricing
- Allows tolling on any facility
- Allows conversion of HOV to HOT
- Purpose – to manage congestion or improve air quality

Concluding Thoughts

- Road pricing benefits:
  - Revenue for infrastructure investment
  - Maximizes efficiency
  - Reliable trip time for the motorist
- Direct user payment fairer than taxes
- Not easy - requires packaging of strategies and public education